

Message Text

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ORIGIN NEA-09

INFO OCT-01 ISO-00 COME-00 EB-07 /017 R

DRAFTED BY NEA/ARP:GQLUMSDEN:RA

APPROVED BY NEA/ARP:FMDICKMAN

COMMERCE/MFPD:JSANDS (INFO)

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P 202133Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY KUWAIT PRIORITY

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E.O. 11652: N/A (DECON ON RECEIPT)

TAGS: BEXP, KU

SUBJECT: KUWAIT CEMENT PLANT - ALLIS CHALMERS BID

FROM NEA/ARP

1. ON MARCH 18, AMBASSADOR SMITH ASKED THAT WE RELAY TO YOU TEXT OF FOLLOWING CABLE SENT FROM MILWAUKEE MARCH 17 BY ALLIS-CHALMERS AND ADDRESSED TO KUWAIT CEMENT COMPANY MANAGING DIRECTOR MOHAMMAD AL-ROUMI:

2. QUOTE: ALLIS CHALMERS IN RECENT DAYS HAS CONSIDERED ITS POSITION WITH RESPECT TO OFFERING ON THE KUWAIT CEMENT COMPANY PROJECT AND WOULD LIKE TO PURSUE IT VIGOROUSLY WITH TOP PRIORITY. THE TENDER DOCUMENTS HAVE BEEN RECEIVED AND REVIEWED. WE WOULD LIKE TO TENDER AS FOLLOWS.

3. QUOTE: WE WILL PREPARE A TENDER WHICH WILL BE RESPONSIVE TO YOUR SPECIFICATIONS IN SIX WEEKS. WE ARE SURE YOU WILL REALIZE IN THAT SHORT A TIME IT WILL NOT INCLUDE ALL OF THE DETAIL THAT IS REQUIRED BY THE SPECIFICATIONS. THIS WOULD BE FOLLOWED IN SIX TO EIGHT

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WEEKS WITH THE DETAIL REQUIRED BY THE REQUEST FOR TENDER.

4. QUOTE: OUR TENDER WOULD BE FOR EQUIPMENT AND TECHNICAL SERVICES BUT NOT FOR CONSTRUCTION. TECHNICAL SERVICES CONSIST OF THE FOLLOWING - PLANT LAYOUT, PROCESS ENGINEERING, PROCESS PROJECT ENGINEERING, FIELD SERVICE ADVISORY PERSONNEL, TRAINING AND STARTUP PERSONNEL AND CONSTRUCTION MANAGEMENT. IT WILL ALSO INCLUDE DETAIL CIVIL, ELECTRICAL AND PIPING ENGINEERING. IN THIS WAY KUWAIT CEMENT SHOULD BE IN A POSITION TO EVALUATE THE ALLIS-CHALMERS TENDER.

5. QUOTE: IT IS OUR ESTIMATE THAT A WET PLANT OF THIS SIZE CAN BE BUILT IN 36 TO 38 MONTHS. THE EQUIPMENT FOR THIS PLANT EXCLUSIVE OF QUARRY EQUIPMENT CAN BE SHIPPED IN 12 TO 22 MONTHS. WE CONFIRM THAT THE PLANT WE WISH TO TENDER WILL USE THE WET PROCESS SIMILAR TO THAT RECOMMENDED BY HOLDERBANK BECAUSE OF THE PRESENCE OF CHLORIDES AND OTHER REASONS. WE OFFER BOTH WET AND DRY LONG KILN PLANTS AS WELL AS DRY PLANTS WITH SUSPENSION PREHEATERS, BUT OUR ANALYSIS OF THIS PARTICULAR CASE LEADS US TO RECOMMEND THE WET PROCESS. WE ARE PREPARED TO SEND A TEAM OF FOUR (4) EXPERTS TO KUWAIT TO DISCUSS THE PROJECT WITHIN A FEW DAYS AFTER BEING ADVISED BY YOU OF YOUR INTEREST IN RECEIVING OUR TENDER AND WORKING CLOSELY WITH YOU ALONG THE LINES SUGGESTED ABOVE.

6. QUOTE: WE ARE LOOKING FORWARD TO A FAVORABLE RESPONSE FROM YOU SO THAT OUR TEAM OF EXPERTS CAN BE DISPATCHED WITHOUT DELAY. ALLIS-CHALMERS CORPORATION, D. C. SCOTT CHAIRMAN, CHIEF EXECUTIVE OFFICER AND PRESIDENT. UNQUOTE.

7. SMITH ASKS IF KATTOUF WOULD MAKE SURE ABOVE MESSAGE HAS REACHED AL ROUMI AND COULD EXPLAIN TO HIM THAT TENDER AT THE END OF SIX WEEKS FROM THE DATE OF RECEIPT OF AL ROUMI'S RESPONSE WILL INCLUDE A DESCRIPTION OF BOTH THE MECHANICAL AND ELECTRICAL EQUIPMENT IN SUFFICIENT DETAIL TO ENABLE AL ROUMI TO EVALUATE THE TENDER IN COMPARISON WITH THE OTHER TENDERS.

8. IF, IN ADDITION, KATTOUF COULD ASSURE THAT ABDUL AZIZ LIMITED OFFICIAL USE

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AL TUWAIJRI KNOWS THAT COPY OF ABOVE CABLE IS AVAILABLE FOR HIM TO COME IN AND PICK UP AT THE EMBASSY WHEN HE RETURNS FROM ALABAMA AND PARIS THIS WEEKEND, THIS WOULD ALSO BE HELPFUL- HOWEVER, IT SHOULD BE MADE CLEAR TO HIM THAT HIS APPOINTMENT TO ASSIST ALLIS-CHALMERS IN THIS MATTER WILL BE CONTINGENT UPON THEIR BEING GIVEN THE OPPORTUNITY TO BID AND SUBJECT TO LATER DIRECT DISCUSSION BETWEEN THE ALLIS-CHALMERS TEAM MANAGER AND TUWAIJRI.

9. ALLIS-CHALMERS AND SMITH WOULD ALSO APPRECIATE
EMBASSY'S LETTING GHASSAN SADER, AT HILTON, KNOW THAT
ALLIS-CHALMERS WILL WANT ONLY ONE OF THE SUITES WITH
LIVING ROOM AND TWO BEDROOMS AND TWO ADDITIONAL BEDROOMS
AND WILL CONFIRM WITH DATES BY TELEX WITHIN A DAY AFTER
AL ROUMI'S REPLY IS RECEIVED.

10. FINALLY, SMITH ALSO WOULD BE APPRECIATIVE OF ANY
OPPORTUNITY AT WHICH AMBASSADOR MIGHT DEEM IT APPROPRIATE
TO MENTION INTEREST IN THIS PROJECT TO RASHID AL RASHID.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 20 MAR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE063520
Document Source: CORE
Document Unique ID: 00
Drafter: GQLUMSDEN:RA
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750098-0339
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750330/aaaabbiz.tel
Line Count: 128
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 21 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <21 MAY 2003 by ElyME>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: KUWAIT CEMENT PLANT - ALLIS CHALMERS BID FROM NEA/ARP
TAGS: BEXP, KU
To: KUWAIT
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006